

سكنا من الامل

The Global Newspaper Edited and Published in Paris

INTERNATIONAL Herald Tribune

Published With The New York Times and The Washington Post

No. 34,070

37/92

PARIS, FRIDAY, SEPTEMBER 11, 1992

ESTABLISHED 1887

Israel and Syria Negotiate Broad Principles of Peace

Rabin Cites Readiness to Compromise, Assad Calls for a 'Peace of the Brave'

By Youssef M. Ibrahim... JERUSALEM — Israel and Syria are negotiating the formulation of a joint public document setting broad principles for negotiating a peaceful settlement between the two countries, Israeli officials say.



Vladimir Zhirinovskiy, a Russian nationalist, protesting Thursday at the Japanese Embassy in Moscow against ceding the islands.

Japan Agonizes Over Yeltsin's Rebuff

By David E. Sanger... TOKYO — Boris N. Yeltsin's sudden rebuff to Japan over a bitter territorial dispute unleashed an unusual round of re-reminders in Tokyo Thursday, prompting accusations that the Japanese government had attempted to bulldoze the embattled Russian leader, and lost its best chance in decades to end a Cold War dispute that has lingered over Asia for decades.

Moscow Question: Why So Much Ado?

By Serge Schmemmann... MOSCOW — After voluntarily pulling out of Afghanistan and Eastern Europe and watching their huge empire crumble, the Russians suddenly drew the line at four obscure islands off Japan — alienating, in the process, a major potential benefactor.

Lira Fades as Italy Debates Economic Rule by Decree

By Tom Redburn... The lira came under intense downward pressure on Thursday as traders in the turbulent European currency markets turned from Nordic problems to doubts that Rome's extraordinary request for emergency economic powers would succeed in staving off devaluation.

Even a French 'Yes' Won't Dispel New Gloom in EC

By William Drozdiak... BRUSSELS — Barely a week before French voters go to the polls to decide the fate of the Treaty on European Union, a sense of gloom has descended over European Community headquarters, whose officials and diplomats fear that the march toward a more united continent may soon succumb to political paralysis even if the French say yes.

policy of not weakening the British currency within the exchange-rate mechanism of the European currency grid. Would Britain deviate with the other currencies in any possible reassignment of the exchange-rate mechanism? A senior government official asked rhetorically. "The answer is no," he said. "We would stick at 2.95 marks," the central value for the pound.

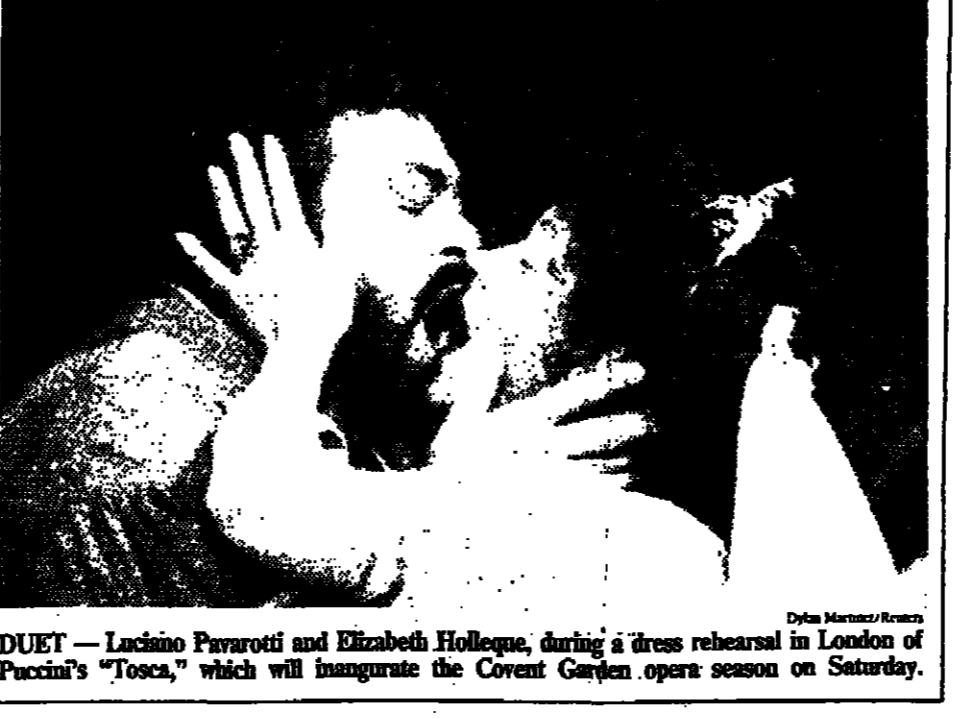
A Mock State's Real Woes

Where Does Ciskei Fit in the Post-Apartheid Order?

By Bill Keller... BISHO, South Africa — The make-believe country of Ciskei has a shiny "international" airport capable of landing a Boeing 747, in case one ever attempts to visit this curious figment of apartheid.

Kiosk U.S. Intercepts Jet Fighter in Iraq

WASHINGTON (Reuters) — Two U.S. Air Force F-16 fighter jets on Thursday intercepted what was believed to be an Iraqi fighter violating the exclusion zone over northern Iraq but no shots were fired in the brief encounter, the Defense Department said.



DUET — Luciano Pavarotti and Elizabeth Holveque, during a dress rehearsal in London of Puccini's "Tosca," which will inaugurate the Covent Garden opera season on Saturday.

Table with market data: Dow Jones, Trib Index, General News, Business/Finance, The Dollar, Yen, FF.



CAMPAIGN '92 / QUAYLE AND 'THE CULTURAL CLITE'

Odd (and Successful) Couple: Vice President and Chief Aide

By Kevin Sack

New York Times Service

WASHINGTON — When most everyone else at Harvard was marching against the war in Vietnam, William Kristol was defending it as a righteous cause.

When Marilyn Quayle reminded the Republican convention last month that "not everyone joined the counterculture," perhaps it was Mr. Kristol, her husband's chief of staff, she had in mind.

The relationship has proven mutually beneficial beyond imagination. It has given the vice president the intellectual cachet and strategic discipline he so badly needed.

Mr. Quayle was a "C" student and self-described "late bloomer" from Huntington, Indiana, a town where a night out meant cruising to the A & W root beer stand.

Mr. Kristol grew up in what Mr. Tyrrell called "an endless intellectual salon," the Upper West Side Manhattan home of his parents, Irving Kristol, the neoconservative sage, and Gertrude Himmelfarb, a historian of the Victorian era.

ELECTION NOTES

Alabamian is Confirmed as U.S. Judge

WASHINGTON — After two days of angry debate in which election year politics were never far from the surface, the Senate confirmed Edward E. Carnes, an Alabama prosecutor, to an important federal appeals judgeship.

BUSH: Reworking Image

(Continued from page 1)

close to election time into believing that the president actually meant what he said.

In Detroit, Mr. Bush characterized Mr. Clinton's economic vision as a "mirage," saying the Democrat, who leads in opinion surveys, wants the government to accumulate capital by taxing and borrowing, then redistributing wealth.

Iran-Contra Case 'Virtually Done'

By Ronald J. Ostrow

Los Angeles Times Service

WASHINGTON — Lawrence E. Walsh, having decided not to seek the indictment of former President Ronald Reagan and the former White House chief of staff Donald T. Regan in connection with the Iran-contra scandal, says his investigation is "virtually done."

But special prosecutor's remarks in the interview indicated that future indictments were improbable, particularly because he seemed intent on keeping his commitment to Congress to complete the investigation by the end of summer.

Navy Disciplines Officer In Nude Photo Affair

By John Lancaster

Washington Post Service

WASHINGTON — A senior officer on the faculty of the Naval War College was forced to resign last year after asking female navy employees to pose nude for shipboard training posters on "safety, fitness, nutrition" and other topics, according to navy officials.

the Pentagon inspector general, forced the navy to confront what critics described as a pervasive atmosphere of sexual harassment and discrimination.

Robertson is Thriving on 'Citizen Action'

CHESAPEAKE, Virginia — Under the aegis of a tax-exempt and supposedly nonpartisan "citizen action" organization, the television evangelist Pat Robertson has raised more than \$13 million for an ambitious and largely unheralded foray into electoral politics.

Since it was founded in 1989, Mr. Robertson's Christian Coalition has in many ways eclipsed the impact of the defunct Moral Majority, tapping state and local affiliates to achieve majorities or near majorities on Republican central committees in more than a half-dozen states and by placing 300 members as delegates to last month's Republican National Convention.

Recipient of Baboon Liver Had HIV

Reston

PITTSBURGH — A man who lived for more than two months after becoming the first person to receive a baboon's liver infected with the AIDS virus, according to a hospital spokeswoman.

CIA Will Disclose Its Secret Records On Nazi Recruits

New York Times Service

NEW YORK — In a change of policy that could provide new information about U.S. recruitment of Nazi war criminals after World War II, the Central Intelligence Agency said it has begun to systematically search its records with the aim of opening long-secret files to historians' scrutiny.

The dollar crisis

- The U.S. election
Civil war in Yugoslavia
Face-off over Iraq
Maastricht ratification
The global recession

These events affect all our lives. Shouldn't you be following them daily in the IHT?

Subscribe and save up to 46% off the newstand price.

CALL US TOLL-FREE IN FRANCE: 05 437 437
GERMANY: 0130 848585
SWITZERLAND: 155 57 57

Or send in the coupon below:

Away From the Hustings



LOVE IN A CLOSED CLIMATE — Jan Davis and Mark Lee, who are to be the first married couple in space, posing at Cape Canaveral, Florida, in front of Endeavour, in which they and five others are to depart for a weeklong mission Saturday.

After an emotional debate over the U.S. future in space, the Senate voted to continue funding for the controversial, \$30 billion space station Freedom. By a vote of 63 to 34, the Senate rejected a spirited effort by Senator Dale Bumpers, Democrat of Arkansas, to withdraw financial support for the orbiting laboratory, which is to be launched piece by piece in a series of shuttle trips beginning November 1995.

A Strong Bond...

Advertisement for Caran d'Ache pens. It features a large image of a silver and black fountain pen with the Caran d'Ache logo. The text includes 'Give a Caran d'Ache pen to your business' and 'A Strong Bond...'. At the bottom, it says 'Ask for catalogue and offer: CARAN D'ACHE - DIVISION CADEAUX D'AFFAIRES - 19, chemin du Foron, C.P. 169 1226 THONEX-GENEVE - TEL. 022/3480204 TR 418570 CDA - Fax 022/3488412'.

Subscription form for the International Herald Tribune. It includes a table of subscription rates for various countries and currencies, and a coupon to be filled out and sent to the publisher. The coupon asks for name, address, and payment details. At the bottom, it says 'Return your completed coupon to: Subscription Manager, IHT, 181 Avenue Charles-de-Gaulle, 92521 Neuilly Cedex, France. Fax: 33.1.46.37.06.51 - Tel: 33.1.46.37.93.61'.



### Maxwell's Bankrupt Son Confronts Doleful Plight

*The Associated Press*

LONDON — Kevin Maxwell, fighting financial and legal troubles after the collapse of his father's publishing empire, went to an unemployment office Thursday. But his efforts to sign up for benefits got off to a shaky start: Having entered the wrong government building, he had to drive himself, in his silver Mercedes station wagon, to another one.

Mr. Maxwell, 33, the son of the late publishing magnate Robert Maxwell, was declared bankrupt last week by a court with debts of £406.5 million (\$798 million), Britain's biggest personal bankruptcy ever. He and his brother Ian also face conspiracy and fraud charges stemming from misuse of pension money in Maxwell companies.

Kevin Maxwell said Thursday that he was not on the dole — "not yet, anyway." If he qualifies, he would be eligible for up to £194.50 a week in unemployment benefits and income support for himself, his wife and four children.

Pandora Maxwell said that her husband "would very much like to work, but at the moment I think he's effectively unemployed."

"If he could find a job to fit in with his meetings and interviews with the police and various authorities, then I'm sure he would consider it seriously," she said. "He's a very well-qualified man and has a great deal of experience. I'm sure he would be a valuable asset."

### TOKYO: Painful Yeltsin Rebuff

*(Continued from page 1)*

by got zero." The Asahi Shimbun, one of Japan's leading dailies, said the Yeltsin visit fell victim to "poor diplomacy by third-class politicians in a second-class economy."

The paper made it clear that it was referring to the Japanese, not to the Russians.

While the long-term effects of the sudden stalemate were unclear, Prime Minister Kiichi Miyazawa left little doubt Thursday that he thought any resolution of the islands issue was now years away.

In a country that often is lauded for the apparently seamless way that it merges business and government interests, however, the events of the last few days have shown that the formula is hardly foolproof. The country's elite seems sharply divided between those who say that a geographically small, resource-poor nation must never give up an inch, and those who argue that Japan is rich enough to afford placing the territory issue on hold until Russia is stable.

Business officials, who have been critical of the Japanese Foreign Ministry's preoccupation with the islands, said Thursday that they feared the trip's cancellation would doom any chance for Japan to make major investments in the Russian Far East for a number of years.

Moreover, diplomats here speculated that Japan would increasingly find itself in conflict with its Western allies over Russian policy. Though the United States has long supported Japan's position on the islands, Germany and other nations have grown testy about Japan's continued refusal to shoulder much of the aid burden for Russia.

"Yeltsin calculated that the international community is on the side of saving the Russian economy, not supporting Japan's egoistic

view about getting the islands back," Kuniko Inoguchi, a professor of political science at Sophia University said Thursday. "I think he calculated right."

For the Japanese, far more is at stake than just the islands, which Japan calls the Northern Territories. The dispute with Russia is far the biggest foreign policy issue in which Japan is operating entirely on its own, rather than following in America's wake. Officials of the Foreign Ministry were clearly tiring Thursday of accusations that they had acted like rank amateurs.

The chief spokesman for the ministry, Masamichi Hanabusa, said in an interview that the bulk of the problem lay in Moscow, where Mr. Yeltsin "missed a good opportunity" to draft compromise language with Michio Watanabe, the country's powerful foreign minister and deputy prime minister.

Mr. Watanabe was dispatched to Moscow a week ago with a broad mandate to get a deal started. But according to the Japanese version events, he was snubbed, told that Mr. Yeltsin would reveal his cards only to Prime Minister Miyazawa. In Tokyo, this treatment was regarded as even more insulting than the cancellation of the trip.

The Japanese insist that they have not ignored Russia's needs. They have promised \$2.65 billion in aid, and said Thursday that another \$100 million would be forthcoming from the Export-Import Bank. But in the next breath, they often claim that the Japanese public would not accept massive aid to Russia unless they islands issue was resolved.

Asked whether Japan was now contemplating a change of course, providing more aid first and talking about territory later, Mr. Hanabusa said simply: "Our policy will remain unchanged in its important aspects."

### HOMELAND: A Mock Country

*(Continued from page 1)*

Monday, there is explosive disagreement about where these homelands fit in the post-apartheid order.

The African National Congress demands that homeland leaders it regards as inimical to democracy be replaced by impartial caretakers pending elections. The South African government insists it is "not in the business of replacing governments," as a spokesman put it.

The killings left Ciskei extremely volatile. Police and soldiers conducted door-to-door searches and were said to be arresting and beating participants in Monday's march. In the townships southwest of Bisho, residents burned the homes of Ciskei soldiers.

It was no surprise that the ANC chose Ciskei for Monday's march, which was aimed explicitly at toppling Brigadier Gqozo. The region, where the Xhosa and the British fought their frontier wars in the 19th century, is one of the ANC's most militant strongholds, and there have been many signs that the brigadier's position is wobbly.

Following the Ciskei killings, the ANC staged an uneventful march Wednesday against the tiny homeland of Qwa Qwa, about 200 miles south of Johannesburg, along the northern border of Lesotho.

More ominously, its leaders said they were contemplating action against KwaZulu, the Zulu homeland and the domain of the ANC's bitterest and most powerful black political rival, Chief Mangosuthu Buthezi.

A visitor driving through the rolling pasture and voluptuous mountains of Ciskei finds no border posts to mark the frequent passage across the "international" border with South Africa.

But the boundaries are easily deduced from the standard of living. The cozy 19th-century English colonial towns, Queenstown, Fort Beaufort, King William's Town, are in South Africa. The sprawling townships and the barren rural settlements, Zwelishisa, Thornhill — those are in Ciskei.

The Indian Ocean port of East London is South Africa's automaking center. The neighboring slum of Mdantsane is Ciskei.

The brigadier readily admits that in economic terms, his republic is anything but independent. South Africa underwrites the budget that pays for the 30,000-member civil service and its perks, including the black bulletproof Range Rover that the brigadier favors and the Mercedes fleet of his cabinet.

South Africa trained and equipped the army — assisted by such a large contingent of Israelis that for a time the supermarket in Bisho had a kosher section.

South Africans — many retired or seconded from the South African government and military — still make up more than half the brigadier's cabinet and the leadership of his military and intelligence



Druze leaders Thursday in the Golan Heights after visiting President Hafez Assad. He told them Syria sought "the peace of the brave."

### MIDEAST: Israel and Syria Negotiate a Basis for Peaceful Settlement

*(Continued from page 1)*

English-language Jerusalem Post published a similar account Thursday morning.

While there was no official reaction from President Assad to the Israeli statements about a joint document, the Syrian ambassador in Iran, Ahmad Hassan, gave an interview to Ahrar, a hard-line Iranian daily, that was published in Tehran on Thursday. "We are positive about recent Israeli interpretations on the Golan Heights," he said, adding that "Israel has recognized that the Golan is a Syrian land."

However, Farouk Shara, Syria's foreign minister, said in Doha on Thursday that Syria would accept nothing short of a total Israeli withdrawal from the Golan Heights.

A leading Israeli expert on Syria affairs who was a senior official in the departing government of Yitzhak Shamir, said that Syria was responding to peace openings from Israel out of necessity and had little choice but to find a compromise that would end with a peace treaty.

The expert, Yossi Olmert, who is a professor of Arab affairs, said signals from Syria have been coming for a long time, even before the June elections, with many messages delivered by Egypt and the United States in the last few months and Israeli answers relayed by the two countries to Syria.

"The Syrians have gradually tried to give more substance to the word peace," Mr. Olmert said in an interview.

Border guards killed the two while the three others barricaded themselves in a house, the spokesman said.

A gun battle of several hours ensued before the Palestinians fled. The border guards shot and wounded one while the other two escaped.

The dead men were among five who had shot at a patrol in the Shabura neighborhood of Rafah.

Also Thursday, masked men killed a Palestinian in Gaza suspected of collaborating with the Israeli authorities, Palestinian sources said. Safer Abu Rahma, 40, was shot and killed at his home in the Nuseirat refugee camp.

### Israelis Kill 2 Palestinians in Border Clash

### MOSCOW: A Large Dispute Over 4 Small Islands

*(Continued from page 1)*

opposition. Nobody could seriously argue that Russia could or should reimpose control over, say, East Germany or Estonia, and on the domestic front the complexity of the economic disarray precluded simplistic slogans or demands.

But the Kuril issue was easy to understand — these were territories Russians had won fair and square, and the Japanese were being arrogant in their demands, especially in threatening to withhold aid unless the islands were returned.

Mr. Yeltsin's retreat before such feelings was welcomed by the rightists. "The decision taken by the president seems natural and logical, and I think, will raise his authority in the eyes of the public," wrote Vladimir Kuznetsovsky in the conservative Rossiyskaya Gazeta.

But the decision also carried ominous overtones. The immediate prospects for Russian-Japanese relations were not the most worrying. Most experts agreed that Japanese investments in Russia were likely to continue being determined more by prospects of profit than by national honor, and Western industrial powers were likely to continue pressuring Tokyo to bolster its aid.

At home, the postponement of the visit, however expedient, was ultimately a victory for the right, which showed that it could win Mr. Yeltsin over on a major issue. From all indications, the Foreign Ministry under Andrei V. Kozhevny had plugged for the visit all along and had prepared various compromise proposals on the islands.

Mr. Yeltsin postponed his visit in part to avoid a debilitating political clash on the eve of major battles over his cabinet and his economic program, which are expected when the parliament convenes next month. But in avoiding a bout over Japan, some commentators thought, he may only have emboldened his opponents for the next round.

**Our new business class.**

**Your better service.**



AKIO MORITA, CHAIRMAN, SONY CORPORATION

**People at the top read the Trib.**

No local bias. No national slant. No partisan viewpoint. Simply a balanced editing of the news for people with a stake in international affairs.

**Herald Tribune**

Published With The New York Times and The Washington Post

When you travel frequently, comfortable and convenient flying is essential to your well-being. That's why we offer you a new and improved business class within Europe this fall. A preferential baggage claim and an extended menu on board make travel easier and more enjoyable for you. In Lufthansa's new business class lounge in Frankfurt you can relax or prepare your next meeting when transferring.

These are only three among a variety of new product features we introduce to make business travel as pleasant as possible for you.

**Our Lufthansa. Your airline.**

**Lufthansa**

INTERNATIONAL Herald Tribune

Trade and the Campaign

The North American Free Trade Agreement is highly technical, and it will not greatly affect U.S. economic growth. But it has suddenly become important in the presidential campaign because, unlike the various pledges to reduce the deficit and create jobs, it is specific.

The Candidate of Change

The Republicans spent four days in Houston portraying themselves as the party of "family values" and the Democrats as the party of Sodom and Gomorrah. You remember the show; it got pretty nasty at times.

Israel (and never mind that up almost until the day that Iraq invaded Kuwait the administration was offering aid and precious little remonstrance to Iraq in hope of bringing it around).

Trashing the Tax Truth

When President George Bush keeps insisting that Governor Bill Clinton of Arkansas has raised taxes and fees 128 times, he knows he is falsifying the record.

Other Comment

An Infection in Germany

Let us remember that at the end of the 1920s and the beginning of the 1930s, with the appearance of the oppressor Adolf Hitler, of accursed memory, there were those who took lightly his words of hatred.

Honecker's Error and the German Identity

By Jim Hoagland

WASHINGTON — Erich Honecker's rapid descent from VIP guest villa in Bonn to a prison cell in Berlin results from changed circumstances, not changed behavior.

His trial may help answer Europe's most important existential question: What is Germany?

quagmire worth entering. The trial may help answer Europe's most important existential question: "What is Germany?"

image of East Germany that could take root again if false nostalgia prevails over memory. Before the Soviet collapse, it was commonly said that East Germany was the "real" Germany.



The Romanians Still Wait for a Western Embrace

By Flora Lewis

BUCHAREST — Romania, like the rest of Eastern Europe, is looking achingly to the West. There is such urgency in the feeling that two weeks before presidential and parliamentary elections the major candidates have left the hustings.

program just concluded here, a dark shadow looms over the fragile democracies that can be consolidated. But slowing down reforms will only make the process more difficult and doubtful.

'Jobs, Jobs, Jobs,' He Says, as the Numbers Decline

By Hobart Rowen

WASHINGTON — For months, optimism in the business community, especially those who fear a Clinton presidency, have been going through a process of denial about the state of the economy, hoping for a ray of sunshine among the bad statistics.

economic Committee shows that a typical 30-year-old male with a high school education earned about \$3,500 less in 1989 than he did in 1979, in real spending power.

A Hard Landing Ahead

By Admiral Elliott Bowman Strauss

WASHINGTON — Interest rates, the weak dollar, the Federal Reserve Board's fine-tuning, the Clinton plan and the Bush plan (or the alleged lack of one) are only peripheral issues.

PARIS — Relations between French and Belgian workers are daily becoming more strained. Not only have blows been exchanged between the miners of both countries on French soil, but disputes have arisen on Belgian territory far from mining districts.

Liars Tend To Skew The Polls

By Seymour Martin Lipset

F AIRFAX, Virginia — Recent American opinion polls have produced drastically different results. In surveys taken from Aug. 26 to Aug. 31, the gap separating Governor Bill Clinton and President George Bush ranged from 19 points in a Washington Post/ABC News poll to 5 points in a Louis Harris poll.

The most probable cause is that the polls are samples of different populations. The surveys for The Washington Post/ABC News, The New York Times/CBS News, the Los Angeles Times, the Wall Street Journal/NBC News and CNN/USA Today all reported on the views of people who say they are registered voters.

Why do these different polling practices make such a difference? The reason is simple: Nonvoters differ from committed voters in social characteristics and political views. Nonvoters are more likely to be poor, minority, immigrant and less educated.

WASHINGTON — [From our New York edition:] The formation of a unit of 40 to 50 women pilots to fly for the Army Air Transport Command with Mrs. Nancy Harkness Love as its commander was announced today [Sept. 10] by Henry L. Simson, Secretary of War.

PARIS — In at least one respect the French Socialists are like the Irish Nationalists. They are against the Government on principle.

PARIS — In at least one respect the French Socialists are like the Irish Nationalists. They are against the Government on principle.

WASHINGTON — [From our New York edition:] The formation of a unit of 40 to 50 women pilots to fly for the Army Air Transport Command with Mrs. Nancy Harkness Love as its commander was announced today [Sept. 10] by Henry L. Simson, Secretary of War.

PARIS — In at least one respect the French Socialists are like the Irish Nationalists. They are against the Government on principle.

WASHINGTON — [From our New York edition:] The formation of a unit of 40 to 50 women pilots to fly for the Army Air Transport Command with Mrs. Nancy Harkness Love as its commander was announced today [Sept. 10] by Henry L. Simson, Secretary of War.

PARIS — In at least one respect the French Socialists are like the Irish Nationalists. They are against the Government on principle.

WASHINGTON — [From our New York edition:] The formation of a unit of 40 to 50 women pilots to fly for the Army Air Transport Command with Mrs. Nancy Harkness Love as its commander was announced today [Sept. 10] by Henry L. Simson, Secretary of War.

The writer, a retired U.S. admiral, has been an author and economic development consultant. He contributed this comment to the Herald Tribune.

Handwritten note: The date is 1992

INTERNATIONAL HERALD TRIBUNE KATHARINE GRAHAM, ARTHUR OCHS SULZBERGER Co-Chairman LEE W. HUEBNER, Publisher JOHN VINOCUR, Executive Editor...

An Impeach Evidence in

kr

OPINION

An Impeachable Offense? Evidence in a 1989 Memo

By William Safire

WASHINGTON — Did the Bush administration, eager to build up Saddam Hussein, interfere in the Atlanta U.S. attorney's investigation of Iraq's corruption of the Department of Agriculture? Has the attorney general committed an impeachable offense in refusing to permit a special prosecutor to investigate obstruction of justice, as Congress requested?

investigation, Attorney General William Barr's apology stated that "the words used in the calls did not include any attempt to influence or interfere, therefore "no interference occurred." President George Bush's lawyer claimed he was "seeking only publicly available information." If that were true, a computer search could have been made at the touch of a button. Now we have new evidence of Mr. Baker's State Department lawyer calling the Atlanta prosecutor a month before. Did the attorney general, with the vast resources of the FBI, discover this in his investigation? No; the Criminal Division's assignment was to find no evidence.

In the space next to 'approve' are the secretary's initials, 'JAB III.'

East bureau, and Abraham Sofaer, then legal counsel. The issue for decision was whether to push for \$1 billion of U.S. grain credits to Iraq despite growing knowledge that Iraqi officials were breaking U.S. laws.

Earlier this month, the president signed NSD-26, Mr. Baker was reminded, "mandating pursuit of improved economic and political ties with Iraq." Although Treasury and the Federal Reserve opposed granting further credits to near-bankrupt Iraq, "our ability to influence Iraqi policies... will be heavily influenced by the outcome of the Commodity Credit Corp. negotiations."

The idea was to convert the grain credits program, which was set up to help U.S. farmers, and turn it into a backdoor foreign aid source, contrary to the will of Congress.

How to accomplish this, as it was becoming known that Saddam was stealing Washington blind? "... to wall off an FY90 CCC program from the BNL investigation," goes the recommendation to Mr. Baker (referring to the 1990 fiscal year, the Commodity Credit Corp. and the Atlanta branch of Banca Nazionale del Lavoro), get an Iraqi promise to "cooperate" in an investigation and to say it won't corruptly handle the new money. In the blank space next to "approve" are the initials "JAB III."

To do that, however, State's legal counsel — denominated "L" in the memo — first had to find out if any Iraqi officials were likely to be prosecuted as criminals. "L has spoken with U.S. Department of Agriculture and independently with the U.S. Attorney's office in Atlanta."

Investigators will recall the objections raised in Congress to evidence that the White House legal counsel had at least twice called the assistant U.S. attorney in Atlanta. In rejecting any suggestion that repeated expressions of interest from the White House constituted undue interference in a criminal

The real purpose of this improper call from Mr. Baker's lawyer was to discover prosecutorial intent. This can be deduced from the "talking points" attached to the Oct. 26 memo, advising Mr. Baker how to persuade Agriculture Secretary Clayton Yeutter to forget his fiduciary responsibility and get with the backdoor aid program.

"Our information about the investigation," goes this script for Mr. Baker's call, "indicates that the prosecutor does not now intend to indict Iraqi officials." How's that for knowing prosecutorial intent — and for using the inside information corruptly?

Mr. Yeutter's roundbeiled reply is recorded in Mr. Baker's handwriting on that same point sheet: "10/31 CY (Clayton Yeutter): I think we're seeing it the same way your guys are. I'll get into it." JAB III.

The former counsel, Mr. Sofaer, says he did not make the Atlanta call and is unfamiliar with the memo, but thinks State has a written procedure for contacting prosecutors. (He is wrong.) State's lawyers, Alan Kreczko and Ted Borek, have dived under desks. Justice has never interviewed them and says it knows of no procedures to limit calls to U.S. attorneys: no holds barred.

The chairman of the House Judiciary Committee, Jack Brooks, Democrat of Texas, is wimping out in the face of this stonewalling. The Banking Committee chairman, Henry Gonzalez, Democrat of Texas, is preparing to answer the attorney general's defiance with a bill of impeachment.

If elected, would Bill Clinton favor a special Iraqgate prosecutor? Answer: "Yes."

The New York Times.

Letters intended for publication should be addressed "Letters to the Editor" and contain the writer's signature, name and full address. Letters should be brief and are subject to editing. We cannot be responsible for the return of unsolicited manuscripts.



THE OTHER DAY UPON THE STAIR, I MET A MAN WHO WASN'T THERE. HE WASN'T THERE AGAIN TODAY. I WISH, I WISH, HE'D GO AWAY.

JANZIGER  
The Clinton Source Monitor  
Los Angeles Times Syndicate

Pull a Lever for Salvation: Mark Twain Would Love It

By Justin Kaplan

CAMBRIDGE, Massachusetts — Some background on the motto "In God We Trust" may be useful in judging the current debate over the role of the deity in American party politics. Now imprinted on all American coins and bills and supplanting "E Pluribus

Mark Twain would have relished the ongoing tussle for the nation's political soul. The religious right appropriates the deity as a registered Republican, privileged to share the wisdom of Richard Nixon, Spiro Agnew and Ronald Reagan. President George Bush accused the Democrats of ignoring God altogether, while his vice president appears to be standing at Armageddon, battling for the Lord against the single-parent Children of Darkness.

MEANWHILE

Unum" as the official national motto. "In God We Trust" first appeared on a bronze two-cent piece near the end of the Civil War. It was authorized, in response to public sentiment, by Salmon P. Chase, Abraham Lincoln's secretary of the Treasury.

President George Bush accused the Democrats of ignoring God altogether, while his vice president appears to be standing at Armageddon, battling for the Lord against the single-parent Children of Darkness.

On the other hand, squads of prominent clergymen denounce as blasphemy, presumption, spiritual vulgarity and woodoo theology the suggestion that a new Republican administration will be the temporal equivalent of the Kingdom of God and woe to those who fail to make the final cut on family and religious values.

"It is simple, direct, gracefully phrased," Mark Twain commented on this motto in 1906. "It always sounds well — in God We Trust. I don't believe it would sound any better if it were true." The fact was, he said, "if this nation has ever trusted in God, that time has gone by; for nearly half a century its entire trust has been in the Republican Party and the dollar — mainly the dollar."

What prompted Mark Twain's reflections on "In God We Trust" was one of President Theodore Roosevelt's characteristically convulsive (and ultimately reversible) announcements. He said he planned to remove the words from currency because coins and bills inscribed with them often went into unholly places like gin mills, horse parlors, bordellos and Democratic Party war chests.

A delegation of outraged clergymen, according to Twain, immediately "put up a prodigious assertion unbacked by any quoted statistics and passed it unanimously in the form of a resolution: the assertion, to wit, that this is a Christian country." Therefore, the motto stood.

One can imagine how this went over with Twain, who believed that in status and influence the clergy yielded about as much usable light as the moon. He also scoffed at the orthodox notion of heaven because in place of sexual intercourse it featured psalm-singing and harp-plucking, neither of which any normal person could abide in unbroken doses.

If the United States is, indeed, "a Christian country," he reasoned, then "so is hell."

"Those clergymen," he continued, "know that, inasmuch as 'Strait is the way and narrow is the gate and few — few — are they that enter in theret' had the natural effect of making hell the only really prominent Christian community in any of the worlds; but we don't brag of this and certainly it is not proper to brag and boast that America is a Christian country when we all know that certainly five-sixths of our population could not enter in at the narrow gate."

For at least five-sixths of the electorate whose salvation will be in the balance in November, this should be a chastening thought.

The writer is general editor of the forthcoming 16th edition of Bartlett's Familiar Quotations, and he won a Pulitzer Prize in 1967 for "Mr. Clemens and Mark Twain." This comment was contributed to The New York Times.

LETTERS TO THE EDITOR

Rostock: A Bill Comes Due

In response to the news analysis "Riots Shake German Politics" (Sept. 2):

Although nearly 8 percent of Germany's population has foreign citizenship, many of its leading politicians, particularly those in the center-right governing coalition, finally refuse to acknowledge publicly that Germany has any immigrants. The reason for this stance is clear: to preserve the fiction of Germany's ethnic "purity." Would-be immigrants must apply for political asylum to have any chance of entering the country, other than as tourists. Thus, they are easily branded as "abusers" of Germany's uniquely generous law on political asylum. Conservative politicians have been making hay with this ploy for a long time. In Rostock, the bill finally came due.

MITCHELL G. ASH, Berlin.

Differing Views in Japan

Sheila K. Johnson's article "Japan Can Lift the Weight of Apologies Left Unsaid" (Opinion, Sept. 1) seems to overemphasize cultural differences between the United States and Japan. From inside this politically divided country, it is fairly clear to me that the issue of the emperor's apology for Japan's wartime atrocities in China is influenced more by differences in world views.

If one understands that in Japan there are two diametrically opposed views on the Japanese role in World War II, associated with two politically powerful forces in the Diet, then he or she can also figure out, without any complex cultural or anthropological explanation, why it has taken so long for Japan to decide on whether or not to send personnel to the Gulf, approve a peacekeeping bill or apologize for atrocities committed during the Pacific war.

Unfortunately, Japan has not resolved the issue of its defeat in World War II. The rightist view, held by many Liberal Democratic Party politicians, is that of Japan as the "liberator," while the leftist view, embraced by those associated with the centrist Komeito, Socialist and Communist parties, denounces wartime Japan as the aggressor. Most

A Match Too Soon?

In response to "Message of a Rugby Match" (Other Comment, Aug. 19):

Your editorial excerpt from The Dominion of Wellington might encourage those who read it and know what kind of game rugby is to think that New Zealand is a country with idyllic relationships between white and brown (Maoris and Samoans, plus other Polynesians, Melanesians, and the white population descended, in the main, from white settlers who arrived in New Zealand in the early decades of the 19th century). If people of all races can play rugby together they certainly can work and live together," the editorial says. Even if this were entirely true of New Zealand, and it is not, it is futile to maintain that a childish game like rugby can bring about a revolutionary change in racial harmony in South Africa.

Some white Boer-descended people of South Africa are still segregating, ill-treating, imprisoning and killing the black people of their country. That my fellow New Zealanders should, once again, after an interval of abstention, travel thousands of miles "to have a game" when they know how abysmally and wickedly white South Africans have

A Word for the Economy

Regarding "Brother, Can You Spare an Economic Moniker? Everyone Agrees Times Are Tough, but Few Ready to Cry 'Depression'" (Sept. 9):

I would suggest that the word or term being sought is "stratification." It signifies the bottom of the trough of two peaks, whereby the world economy is subject to radical phase changes. This is due, in part, to generic technologies, obsolescent economic policies, new employment needs and where the fundamental socioeconomic infrastructure (both hard and soft) has not yet accommodated to changes required or implied.

The infrastructure (especially the soft part, viz. "politics") always lags. As the new structure is put in place, the comparative advantages of nations and trading blocs alter (as do internal social cohorts, for example, blue-collar workers).

In another decade or so, the present lopsided triadic power of world trade (United States / EC / Japan) will be transformed into quadric-power (United States / EC (enlarged) / Japan / Commonwealth of Independent States / Eastern Europe). Thus the triangle will be squared.

THOMAS G. WHISTON, Sussex, England.

The key to know-how.



This 19th century masterpiece by the Prussian court silversmith combines gold and silver inlays in an iron key. This outstanding display of craftsmanship won him the title of master silversmith.

Interest rates in most parts of the world are still high. But, with your substantial assets, you have to think ahead and hedge your investments against erosion. At Swiss Bank Corporation, we have the know-how needed to assist private investors. And over a century of experience too. We can offer you modern risk management tools and tailor-made solutions such as customized investment return profiles and controllable liability exposure. Our products are backed up by first-rate market and financial analysis, a worldwide network of business contacts and outstanding financial strength. Let the Swiss banking know-how of the key Swiss bank work for your security. Why not call one of our people? They know how to listen. In Basel: Michel Meyrat, 41 61 288 2074, Frankfurt: Heinrich Schreiber, 49 69 71 401 700, Geneva: Alan Moses, 41 22 376 6725, Jersey/Channel Islands: Steven Liron, 44 534 36341, London: Louis F. Ackermann, 44 71 711 4855, Luxembourg: Nicolas von May, 352 45 20 30 222, Zurich: Fritz R. Rigoni, 41 1 223 2221 and in more than 50 other major cities around the world.



The key Swiss bank





**I E I S U R E**

## The ABCs of Air Travel for Pets

By Robert Frank

**L**OS ANGELES — It's every pet lover's traveling nightmare: You peer out across the runway, dazed from jet lag, and see your terrified terrier darting about on the scorched tarmac, trying to elude savage baggage handlers who want to toss it back into its busted-up travel kennel.

Don't worry, it probably will never happen. In fact, industry officials say that fewer than 1 percent of pets are injured or killed in transit. And by following certain guidelines, owners can ensure that their pet will be among the thousands who arrive safe and sound every day.

"This is your pet, this is your family," said Kathi Travers of the American Society for the Prevention of Cruelty to Animals. "Don't take for granted everything will be fine. It's your responsibility to check everything out and do it well in advance of your travel. Then you will have peace of mind."

As the ASPCA's pet travel expert, Travers sits with airline representatives on a task force to educate airline personnel and pet owners on humane and safe ways to transport pets and eliminate the problems that sometimes happen.

While pet owners have the primary obligation for the safety of their pets, airlines should also be able to ensure safe trips for them, Travers said.

**F**IRST, owners should call the airline to reserve a space for their pet, find out the carrier's rules and have the carrier find out what is required by the country the pet will be traveling to, said Betsy Sato, a Japan Airlines cargo sales supervisor.

Tips to Japan or Hong Kong may require a few weeks of rabies quarantine, while dogs and cats sent to Britain are quarantined for six months.

Although seeing-eyes and hearing-ear dogs are usually exempt from these rules and are allowed to fly in passenger cabins, they may not escape quarantine restrictions. Even in Hawaii, every animal must be quarantined for 120 days.

Pets can sometimes ride for free. More likely, their owners will pay a charge of \$30 to \$200, depending on the carrier, distance and size of the animal.

Some airlines allow small animals, includ-

ing cats, dogs, birds and rodents, to ride underneath a passenger's seat, like carry-on luggage. But the number of animals allowed in passenger cabins is limited. Carry-on kennels must also meet airline requirements, and the airline should be told what is being transported.

"We'd hate to have a lot of snakes snatching up and down the cabin," said an American Airlines spokesman.

Carriers like Delta limit the luxury of carry-on travel to small aquatic animals or insects, provided they are in leak-proof, escape-proof and odor-proof containers. Dogs and cats usually ride in a special area set aside in a jet's baggage compartment.

While dogs, cats and birds resist the animal kingdom's frequent flyers, some passengers tote menageries that include millipedes, Vietnamese potbellied pigs and ferrets.

**N**O matter what species is in the box, pet owners should make sure their animals are well-prepared, said Jim Lampi, a British Airways spokesman. That means getting a veterinarian's health certificate no earlier than 10 days before travel. And a sturdy cage is a must.

"The most important thing is that the pet is well-housed for the trip," Lampi said. "Cats and dogs, especially, need proper containers with adequate space and circulation." Kennels should be made of sturdy fiberglass with enough room so the animal can stand, sit and turn around.

"Nobody should be required to stay in one position for 15 hours," Sato said. For overseas flights, the animals should have enough food and water for three days.

Most airlines sell or rent air kennels for nominal cost, but they should be obtained early so owners can acclimate their pets.

Tips from the ASPCA include:

- Give food and water to pets four hours before flight time. Freeze the water in the kennel's water dish to reduce the chance of it splashing out during loading. It will melt in flight.
- In large letters, write "Live Animal" on the kennel, and use arrows to clearly show the upright position of the container. On top, write your name, address and telephone number, and that of the person who is picking the animal up if you are not.
- Make sure your pet is wearing identifi-

cation tags on a collar. Bedding should be shredded paper or towels. Secure the kennel door, but do not lock it so the crate can be opened in emergencies.

- Secure a favorite toy inside the kennel and avoid those that can become heavy projectiles, like rawhide bones.
- Tranquilization is not recommended.
- For birds, the ASPCA suggests:
  - Using crates big enough for the bird to stand up comfortably, but not so large that it can flap its wings and injure itself. Wings should also be clipped so the bird cannot fly away if it escapes. Perches should only be included for canaries and finches.
  - Lining the crate with shredded non-toxic paper, such as brown food-wrapping paper, and scattering seeds throughout. Place pieces of juicy fruits, such as apples, oranges and pears, on top of the paper.
- Traveling is a stressful situation for everybody," Travers said. "It's no different for your pet. Anything you can do to avoid stress for yourself and your pet, do it."

Robert Frank is a staff reporter for The Orange County Register.

## Affordable Bistros on Left Bank

By Patricia Wells  
International Herald Tribune

**P**ARIS — Let's face it, the Left Bank is great for just about everything. Except meals that offer great value.

Numerous restaurants in the 6th and 7th arrondissements generally get by with food that's truly nothing special at ultra-high prices, practices that simply won't fly on the other side of the Seine. Here then, a trio of Left Bank spots that attempt to go against the "poor value" grain.

The tiny, always bustling Le Bistrot d'Henri offers some of the Left Bank's best "quadrés-prix." This is a tried and true spot, where the welcome is warm, the quality unchanged, the price always right. With its bare, wooden tables, black and white checkered floors, and French doors opening onto the Rue Fenech, Le Bistrot d'Henri has a rather modern, no-fills air. Yet the quality of the food is way above average, with refreshingly simple salads of green beans or grilled red peppers, rare-cooked top quality beef, melt-

ingly tender and fragrant slices of leg of lamb, and healthy portions of potato gratin offered with each and every main course. Desserts are traditional — *crème caramel* and chocolate mousse — and the wine list offers some respectable choices, including Fieré Frérand's energizing Chimon, Châten Le Ligré.

Le Méconois is a nice and quiet, village-like bistro in a chic neighborhood not known for bargain-priced restaurants. This bistro has been on the Rue du Bac since the turn of the century. Although the decor and the mood are slightly tired, this totally serviceable restaurant should assure a pleasant dining experience. The food is straight from Lyon, including sausages (dried and cooked varieties) from the famed Bobosse in Beaujolais; delectable pan-fried steaks; a delicious *pot-au-feu*; and a piquant *farce*, a Lyonnais specialty of spreadable, fresh cheese seasoned with herbs and garlic. So order up a bottle of Saint Amour, Domaine du Paradis (how can one go wrong with that name?), and have a swell time.

When you find yourself in the neighborhood of the Bon Marché department store,

and you're about to collapse from hunger, Pierre and Micheline Grosart are sure to cure what ails you. It's hard to believe one can still find a "mom and pop" bistro in the trendy Sèvres-Babylone area, but La Cigale is it. A handful of tables, a few stretched out onto the sidewalk (along with their giant black Labrador), a hyper-traditional menu of thick grilled beefsteaks (try the *pavé grillé*), truly fresh and golden fries, and homemade desserts to warm the heart. The food's not great but satisfies. Service is sweet, if a bit poky. If the fruity, concentrated, Saumur-Champigny, Domaine Filiatrou, is still on the wine list, go for it.

Le Bistrot d'Henri, 16 Rue Fenech, Paris 6; tel: 46.33.51.12. Closed Sunday and Monday at lunch. No credit cards. 160 franc menu.

Le Méconois, 10 Rue du Bac, Paris 7; tel: 42.61.21.89. Closed Sunday lunch, Sunday, August, and Christmas week. Credit cards: Visa, A la carte, 125 to 175 francs.

La Cigale, (Chez Pierre et Micheline), 11 bis Rue Chomet, Paris 7; tel: 45.48.87.87. Closed Saturday, Sunday, and the last week in August. Credit cards: Visa, 155 franc menu. A la carte, 200 francs.

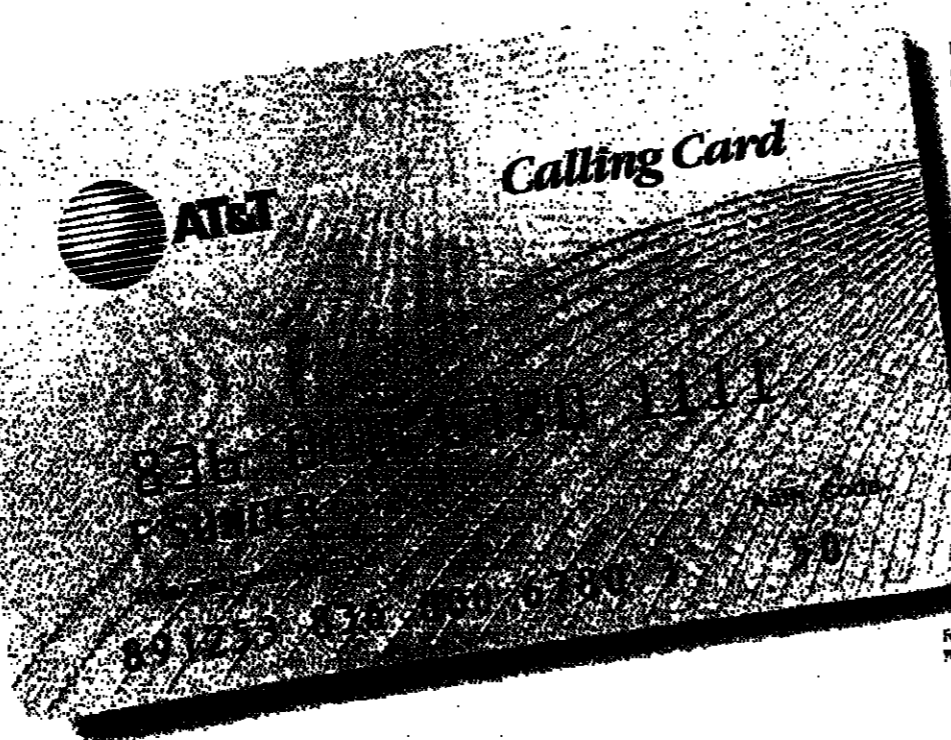
## DO'S AND DON'TS

- Plan Ahead**  
Do contact the carrier at least six weeks before travel. Ask about the carrier's rules for your pet and about the rules of the country you are visiting.
- Last-Minute Giftboxes**  
Don't show up at the airport expecting everything to be fine for bringing your pet along. Always do the research yourself.
- Feeding at Home**  
Do get your pet accustomed to the crate it will be flying in. Put a favorite blanket, toy or food dishes inside for several weeks before travel.
- Avoid Hot Spots**  
Don't travel during extreme temperatures and avoid flights that involve changing planes.

## THE ARTS GUIDE

- AUSTRALIA**  
Sydney Powerhouse Museum (tel: 217.0111). To Oct. 18: "First Australian Contemporary Jewellery Exhibition." Comprehensive survey of jewelry design coming out of Australia.
- BELGIUM**  
Brussels Musée Royaux d'Art et d'Histoire (tel: 741.72.11). To Dec. 27: "Tresors du Nouveau Monde." Pre-Columbian art from the American continent.
- BRITAIN**  
London Accademia Italiana (tel: 381.13.24). To Sept. 20: "IFAR International Prize: Invention Through Reason, the Hopes of Mankind, the Dreams of Youth." Features 60 artists under the age of 30 from Milan, Rome, Paris, London, New York and Los Angeles, including Callum Innes, who won first prize.
- Museum of London (tel: 800.3898). To June: "The Purple, White and Green: Suffragettes in London, 1906-14." A re-evaluation of the early British women's movement.
- Hayward Gallery (tel: 921.0878). To Dec. 8: "The Art of Ancient Mexico." Pre-Columbian sculpture and pottery created between 1000BC and 1500AD by the pre-Hispanic people of Mexico, including the Olmecs, the Mayas, and the Aztecs.
- Brussels Musée Royaux d'Art et d'Histoire (tel: 741.72.11). To Dec. 27: "Tresors du Nouveau Monde." Pre-Columbian art from the American continent.
- GERMANY**  
Frankfurt Schirn Kunsthalle (tel: 299 88 20) To Nov. 1: continents from the Arctic circle to the tip of South America.
- CANADA**  
Montreal Canadian Centre for Architecture (tel: 988.7020). To Jan. 17: "Opening the Gates at 180: centennial exhibition of the works of the French painter." Exhibition marking the city's 300 anniversary explores its development in the 18th century.
- DENMARK**  
Humblebaek Louisiana Museum of Modern Art (tel: 42.19.07.19) To Jan. 3: "Pierre Bonnard." Retrospective exhibition of the works of the French painter.
- FRANCE**  
Paris The American Center (tel: 44.73.77.77). Sept. 18 to Nov. 15: "Trans-Voices." Paintings, photographs, sculptures and videotapes from 50 French and American activist artists focusing attention on social challenges, i.e. AIDS, racism and nationalism.
- Espace des Arts Mitsukoshi (tel: 44.09.11.11). To Oct. 10: "Kataoka." Paintings of Tameko Kataoka, who gives her contemporary impressions of classical Japan, including Mount Fuji and other landscapes, ukiyo-e print masters and kabuki theater scenes.
- Institut du Monde Arabe (tel: 40.51.38.38). To Oct. 25: "NAUD." Photographs by Humberto da Silva. "Black-and-white photographs by the Brazilian photographer, Humberto Da Silva, dedicated to the hidden treasures of Saudi Arabia."
- GERMANY**  
Frankfurt Schirn Kunsthalle (tel: 299 88 20) To Nov. 1: "Genese Art of the Baroque Age." Two hundred items including ceramics, silver and paintings from Andrea Doris to the early 19th century.
- Hagen Karl Ernst Osthaus-Museum (tel: 20.75.76). To Nov. 8: "Henry van de Velde: A European Artist in His Time." One thousand works including paintings, drawings, porcelain and ceramic works.
- Hillesholm Rosner und Pelizaeus Museum (tel: 838 90). To Nov. 29: "The World of the Mayas." Mayan artifacts, mainly from the museums of Belize, El Salvador and Honduras.
- ITALY**  
Florence Casa Buonarroti (tel: 24.17.52). To Oct. 19: "The Garden of San Marco." One of many exhibits in honor of the 500th anniversary of the death of Lorenzo the Magnificent, who had converted the garden into an outdoor museum and an art school towards the late 1470s. Featuring sculptures by Michelangelo and Donatello among others.
- Lugano Museo d'Arte Moderna della Città di Lugano (tel: 20.72.09). To Nov. 15: "Thomas Hart Benton." Eighty works including paintings, sketches, wood carvings and large-scale murals ceasing with American life.
- JAPAN**  
Tokyo Tokyo Metropolitan Teien Art Museum (tel: 3443.8500). To Sept. 30: "Lucien Freud." Explores the condition of human existence through his paintings, drawings and prints.
- SWITZERLAND**  
Geneva Musée Barberis-Mueller (tel: 312.02.70). To Oct. 15: "Art from Basle." Bronze sculptures dating back to the 13th century.
- Lausanne Fondation de l'Heritage (tel: 20.50.01). To Sept. 21: "The Imaginary World of Oskar Reisch." Two hundred drawings, pastels, oils and lithographs.
- Zurich Kunsthau (tel: 251.67.55). To December 13: "Gustav Klimt." Exhibition marking the 50th anniversary of his death. Also, "Ferdinand Hodler." Drawings of the artist as an adolescent and a young man (1900-1918).
- UNITED STATES**  
Houston Museum of Fine Arts (tel: 526.1361). To Nov. 29: "Jacob Lawrence: The Fredrick Douglass and Harriet Tubman series of Narrative Paintings." More than 80 paintings created between 1938 and 1948 by one of the most important African-American artist of the century.
- Los Angeles Museum of Contemporary Art (tel: 626.6222). To Oct. 4: "Martin Puryear." Includes 40 wood and mixed-media works tracing the artist's developments from the early 1970s to present.
- New York Museum of Modern Art (tel: 879.5500). To Nov. 22: "René Magritte." Includes paintings, sculptures and drawings, among other media.
- Whitney Museum of American Art (tel: 570.3533). To Nov. 29: "Figurative Works from the Permanent Collection." Eighty-five paintings, drawings, sculptures, prints and drawings surveying the various approaches that 20th-century American figurative artists have taken from turn-of-the-century impressionism to the present.
- Washington The Corcoran Gallery of Art (tel: 638.3211). To Nov. 8: "Fata Morgana USA: The American Way of Life." Eighty photo montages created by Josep Renau between 1952 and 1958.

# Get the Card that's got the whole world talking.



If you're living here in Europe, now you'll really appreciate having an AT&T Calling Card.  
Because now it makes calling between countries very easy for you.  
With an AT&T Card, you can use new AT&T World Connect® Service. While traveling, or from home or work. Simply dial the AT&T USADirect® Service access number for the country you're in, and in seconds an English-speaking AT&T Operator will help you complete your call to any of more than 40 countries in the World Connect System.  
Use your Card as always to call the States too. Easily. From over 110 countries with AT&T USADirect® Service.  
Entitles you to more services than ever.  
Like calling AT&T-provided 800 numbers in the US. 24 hours a day. Or using AT&T Message Service to get messages through when you can't? And for all the calls you make with your AT&T Card, you get an itemized record each month on your credit card statement.\* And much more.  
To get an AT&T Calling Card, you just need a valid Access,® American Express®, Eurocard®, MasterCard®, or VISA® account.† Get it once, it's good for life. Apply for yours free now, and one for a family member. We're here for you 24 hours a day. Just dial this country's AT&T USADirect® access number, and ask the AT&T Operator to place a collect call to 816 654-6688, Ext. 6032. You'll have one of the easiest ways in the world to connect.

*AUSTRIA	022-903-011	GHANA	0191	*NORWAY	050-12071
*DENMARK	8001-0010	*GREECE	00-800-1911	*POLAND**	00010-480-0711
*EGYPT†	510-0200	*HUNGARY	000-800-0711	*PORTUGAL	05071-1-288
*FINLAND	8800-100-10	IRELAND	+800-550-000	*SWEDEN	020-795-671
*FRANCE	190-0011	ISRAEL	177-100-2727	*SWITZERLAND	155-00-71
*GAMBIA	0011	*ITALY	172-1011	*TURKEY	909-8001-2277
*GERMANY**	0130-0010	*NETHERLANDS	080-022-9111	U.K.	0800-69-0011

All countries above have AT&T World Connect® Service except Italy, Poland and Ghana.  
\*Public phone messages or card. \*\*Recent phone. Includes Berlin and Leipzig. †Cable record dial use. \*United Kingdom.  
\*Not available from public phones. \*Dial '01' last, outside of Conn. \*Dial 100-800-0111 from major US area hotels.  
\*For up to 4 hours AT&T will make every effort to deliver any message in your time. \*Billing detail available in most countries.  
†Not available in all countries. Interest charged in conformity with the terms and conditions of credit card agreements.  
For additional USADirect access numbers or information about the service, call us collect at 42 994-4760. When in the US call 1 800 674-4000 Ext. 486 for your local USADirect information card.



# NYSE

## Thursday's Closing

Tables include the nationwide prices up to the closing of Wall Street and do not reflect late trades elsewhere. Via The Associated Press

Symbol	Price	Change
IBM	100.00	+0.12
MSFT	32.75	+0.10
GE	24.37	+0.05
AMT	18.12	+0.01
BA	42.87	+0.15
W	36.25	+0.10
DIS	20.62	+0.08
INTL	12.50	+0.03
AVL	10.50	+0.02
CAT	25.25	+0.10
TRW	14.87	+0.05
TXU	18.00	+0.08
WFC	12.12	+0.03
AMZN	8.50	+0.05
ETW	10.50	+0.02
PT	2.25	+0.01
CHRY	1.50	+0.01
BBK	1.25	+0.01
CP	1.12	+0.01
BBK	1.12	+0.01
CP	1.12	+0.01

Symbol	Price	Change
AMZN	8.50	+0.05
ETW	10.50	+0.02
PT	2.25	+0.01
CHRY	1.50	+0.01
BBK	1.25	+0.01
CP	1.12	+0.01
BBK	1.12	+0.01
CP	1.12	+0.01

Symbol	Price	Change
AMZN	8.50	+0.05
ETW	10.50	+0.02
PT	2.25	+0.01
CHRY	1.50	+0.01
BBK	1.25	+0.01
CP	1.12	+0.01
BBK	1.12	+0.01
CP	1.12	+0.01

Symbol	Price	Change
AMZN	8.50	+0.05
ETW	10.50	+0.02
PT	2.25	+0.01
CHRY	1.50	+0.01
BBK	1.25	+0.01
CP	1.12	+0.01
BBK	1.12	+0.01
CP	1.12	+0.01

Symbol	Price	Change
AMZN	8.50	+0.05
ETW	10.50	+0.02
PT	2.25	+0.01
CHRY	1.50	+0.01
BBK	1.25	+0.01
CP	1.12	+0.01
BBK	1.12	+0.01
CP	1.12	+0.01

Symbol	Price	Change
AMZN	8.50	+0.05
ETW	10.50	+0.02
PT	2.25	+0.01
CHRY	1.50	+0.01
BBK	1.25	+0.01
CP	1.12	+0.01
BBK	1.12	+0.01
CP	1.12	+0.01

## In HONG KONG, DISCOVER THE TWO PATHS TO SHANGRI-LA.

Situated in the centres of commerce with uninterrupted views of Victoria Harbour, The Island Shangri-La in Pacific Place and the Kowloon Shangri-La in Tim Sha Tsui, The preferred choices in Hong Kong.

**Island Shangri-La**

**Kowloon Shangri-La**

For reservations and information, call your travel agent or the Island Shangri-La: (852) 877-3838, fax (852) 521-8742 and Kowloon Shangri-La: (852) 721-2111, fax (852) 723-8686.

As  
THE TRIB INO  
WALL STREET  
Thinking Cap  
Control of Hat C  
N  
CUB

سكرا من الاصل

(Continued on p. 11)



MARKET DIARY

Stocks Rebound As Investors Return

NEW YORK — U.S. stocks rose sharply Thursday as a mild recovery in the dollar and low interest rates lured institutional investors into the market.

The Dow Jones industrial average rose 33.77, to 3,305.16. Computer-guided buy orders also helped the rally.

Advancers outpaced decliners by a 9-to-5 margin on the New York Stock Exchange, where volume jumped to 233 million shares, the most active trading in more than a month.

What's been putting the market down — poor confidence in Bush, fears that Clinton will win the election, and the dollar in a freefall — some of those concerns were alleviated today, said Robert Stovall, president of Stovall/Twenty-First Advisors.

The market was higher before Bush spoke, and it kept on going, Mr. Stovall said. In a speech to the

Detroit Economic Club, President George Bush said he favored a 1 percent across-the-board tax cut as part of his economic package.

Mr. Bush's comments caused Treasury bonds to fall briefly before they rebounded as bond traders dismissed the president's call for lower taxes. The yield on the benchmark 30-year bond slipped to 7.24 percent from 7.26 percent.

Telefonos de Mexico was the most active issue on the Big Board. The company's American depositary receipts fell 1/4 to 42 1/2 as concerns about high yields on Mexican Treasury bills weighed on Mexico's stock market.

Tele-Communications, the largest U.S. cable systems operator, was the most active over-the-counter issue. It was up 1/8 to 18 1/2 amid a rally in cable stocks sparked by positive comments from analysts and the fading prospect of deregulation.

Nabors Industries led the American Stock Exchange actives, up 1/4 to 8 1/2.

Foreign Exchange

posals to declare an economic emergency to set on its own, insisted before a committee of Parliament that Rome would not devalue the lira.

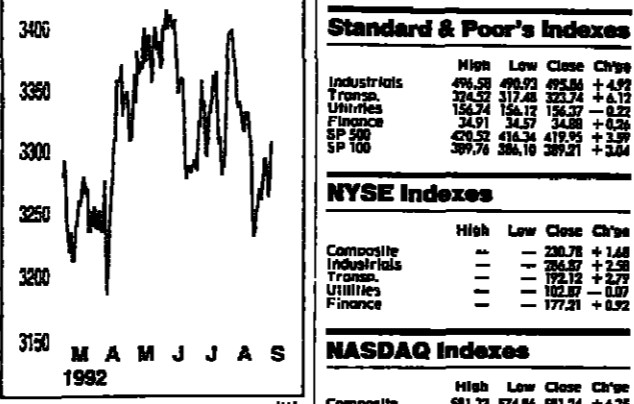
Despite the renewed determination to resist devaluation displayed this week in Italy, Britain and Sweden, there were still widespread doubts among currency traders about whether the governments in charge of the weaker European currencies would be able to withstand the pressure indefinitely.

A rejection of the Maastricht treaty by French voters in the Sept. 20 referendum would probably spark a crisis in the exchange markets.

If Italy is forced to devalue, speculators "will come out of their caves smelling blood" and attack other vulnerable currencies such as the Swedish krona and the pound, said Keld Holm at Lehman Brothers in London.

For all the focus on currency speculation, the root of the European economic dilemma is Germany's policy of high interest rates designed by the Bundesbank to squeeze out domestic inflation that

The Dow Daily closings of the Dow Jones industrial average 3450



NYSE Most Actives

NYSE Diary

NASDAQ Diary

NYSE Most Actives

NYSE Diary

NASDAQ Diary

NYSE Most Actives

NYSE Diary

NASDAQ Diary

NYSE Most Actives

NYSE Diary

NASDAQ Diary

NYSE Most Actives

NYSE Diary

NASDAQ Diary

NYSE Most Actives

NYSE Diary

NASDAQ Diary

NYSE Most Actives

NYSE Diary

NASDAQ Diary

NYSE Most Actives

NYSE Diary

NASDAQ Diary

NYSE Most Actives

NYSE Diary

Dow Jones Averages

Standard & Poor's Indexes

NYSE Indexes

NASDAQ Indexes

AMEX Stock Index

Dow Jones Bond Averages

Market Sales

N.Y.S.E. Odd-Lot Trading

S&P 100 Index Options

AMEX Diary

NASDAQ Diary

NYSE Most Actives

NYSE Diary

NASDAQ Diary

NYSE Most Actives

NYSE Diary

NASDAQ Diary

NYSE Most Actives

NYSE Diary

NASDAQ Diary

NYSE Most Actives

NYSE Diary

NASDAQ Diary

NYSE Most Actives

NYSE Diary

NASDAQ Diary

NYSE Most Actives

NYSE Diary

NASDAQ Diary

NYSE Most Actives

Books, Films Aid Paramount Profit

NEW YORK (UPI) — Paramount Communications Inc., citing gains in entertainment and publishing, reported Thursday earnings \$113.3 million for its third quarter ended July 31, up 12.0 percent from earnings of \$101.2 million in the like period last year.

Sales were \$1.06 billion, up from \$963.9 million in the year-ago quarter. The earnings were in line with expectations, and Paramount rose \$1.25 to \$45, on the New York Stock Exchange. Publishing operations were led by seasonal strength in education and sharp gains in consumer books, while entertainment results were boosted by motion picture and television results.

GM Car Venture in Poland Is Delayed

DETROIT (Bloomberg) — General Motors Corp. said Thursday that plans to jointly build cars with Fabryka Samochodow Osobowych of Poland by early 1993 have been delayed until at least the end of next year.

"There are a number of factors that have yet to be mutually resolved," a GM spokesman said. GM announced plans Feb. 28 to initially invest about \$75 million and form a joint venture company with FSO to assemble 30,000 Opel Astra cars a year, using about 1,000 of FSO's 19,000 workers.

Northwest Sets Pilot Deal With KLM

ST. PAUL, Minnesota (Bloomberg) — Northwest Airlines, moving to cement its new relationship with KLM Royal Dutch Airlines, said Thursday that 48 laid-off Northwest pilots would be based in Amsterdam to fly KLM Boeing 747s.

The 48 will serve as "cruise" pilots on long-range flights from Amsterdam to South America, Asia and South Africa, relieving the KLM captain or first officer as needed on the international flights.

The flyers will wear KLM uniforms and work under KLM rules, with Northwest administering pay and benefits. KLM will reimburse Northwest for the pilots' services, the company said. The transfers were offered to the 110 pilots who were laid off in July.

Clifford's Federal Trial Is Postponed

WASHINGTON (AP) — A judge postponed Thursday the federal trial of former U.S. Defense Secretary Clark M. Clifford and his law partner in the Bank of Credit & Commerce International until after their New York state trial next year.

As a result of the decision, Mr. Clifford and Robert Altman will not face trial on federal fraud charges before next March. The federal case, originally scheduled for this fall, could even be dismissed. The broader, accepting \$40 million in bribes from BCCI, which has pleaded guilty to federal racketeering charges.

At the hearing, Judge Joyce Hens Green of U.S. District Court also said she had decided to appoint a cardiologist to examine Mr. Clifford, 85, as he and the government had requested. Doctors have said that the stress of a trial could bring Mr. Clifford to suffer a possibly fatal heart attack.

Du Pont Cool on Conoco's Prospects

PHILADELPHIA (Combined Dispatches) — Du Pont Co. said Thursday it was unsure if its Conoco oil and gas unit could meet Wall Street analysts' expectations for 1992 earnings of about \$3.10 a share.

Bruce I. Beardwood, Du Pont's vice president of investor affairs, said that to achieve that result the petroleum industry would have to perform better in the second half than in the first. He said earnings performance also depended on a restructuring designed to trim \$1 billion in start costs, and on an improvement in the U.S. economy.

National Semiconductor Posts Profit

SANTA CLARA, California (Bloomberg) — National Semiconductor Corp. said Thursday that net profit for the quarter ended Aug. 30 amounted to \$21.9 million, after a loss of \$168 million in the same period a year ago. It said a resurgence data communications market had contributed to the turnaround. Sales rose to \$472.2 million from \$411.0 million.

Last year, National Semiconductor, the world's 11th-largest semiconductor maker, took a \$149.3 million first-quarter charge as part of a move to regain competitiveness. It has since had four straight profitable quarters.

WORLD STOCK MARKETS

Table of world stock markets including Amsterdam, Brussels, Frankfurt, London, Milan, Singapore, Stockholm, Toronto, Zurich, and various regional indices.

Dollar Hits Rhone-Poulenc

PARIS — Rhone-Poulenc SA, the state-owned chemicals group, on Thursday cut its operating profit forecast for 1992, saying the result would only climb about 10 percent to 15 percent.

The company said it changed its forecast because of the adverse effect of the recent fall in the dollar and after seeing its preliminary growth figures for August.

Rhone-Poulenc stock plummeted 70 francs (\$14.62), or 11.7 percent, to 530 francs at the close on the Paris Bourse.

(AFP, Bloomberg)

U.S. FUTURES

Table of U.S. futures markets including Grains, Metals, Livestock, and various commodity contracts.

U.S. / AT THE CLOSE

Table of U.S. market closing data including Stock Indexes, Commodity Indexes, and various market indicators.

كوكا من الأصل

Gillette Sets Deal To Buy Parker Pen For £285 Million

Compiled by Our Staff From Dispatches
BOSTON — Gillette Co., maker of Paper Mate, Flair and Waterman pens, said Thursday it had agreed to acquire Parker Pen Holdings Ltd. of Britain for £285 million (\$562 million).

and distribution channels," said Joel Davis, vice president of Gillette's stationery division.
The board of Parker Pen said the terms of the Gillette offer were "fair and reasonable" and in the best interest of shareholders.

Parker's products, including fountain and ballpoint pens and mechanical pencils sold under the Parker, Duofold, Vector and Jotter brands, are offered in 120 countries.

France Seeks More Renault Ties to Volvo

PARIS — Industry Minister Dominique Strauss-Kahn said Thursday that the link between France's state-owned Renault and Sweden's Volvo AB should be extended but added there were no imminent plans to merge the two automakers.

"To obtain all the benefits of this link, they must go further," Mr. Strauss-Kahn said at a news briefing. "Clearly, the companies wish it."

He said the French government was still assessing the options and noted that legislation would be required if the two companies sought to merge because Renault is state-controlled.

"No legislative proposal is on any minister's desk," Mr. Strauss-Kahn said.

The two carmakers signed an agreement in 1990 that gave Renault a stake of 8.24 percent of Volvo AB and larger shares in Volvo's car and truck operations. Volvo owns 20 percent of Renault.

Waterford's Future? Not Crystal Clear

By James F. Clarity
New York Times Service
WATERFORD, Ireland — The 38,000 people of this city on the River Suir are beginning to believe its future is shattered.

Worried about the prospects for Waterford Crystal, they fear that the good times of the crystal boom may be over for good and that the company itself, part of the Waterford Wedgwood Corp., may disappear, with production shifted to Germany and elsewhere on the Continent.

But company executives, mostly Irishmen, do not think things are all that bad. "We don't have a secret agenda to move production out of Waterford," said Chairman E. Patrick Galvin. "That is not our intention, not our strategy. We want to produce classic Waterford crystal in Waterford at a reasonable profit margin."

To do this, Mr. Galvin has proposed the work force at the plant, which was 3,200 five years ago and is now 1,500, be reduced by 500 more this year, and that those remaining accept cuts of up to 30 percent in wages and benefits.

He said the company lost more than \$150 million in the last five years, including \$6

million in the first half of 1992. He wants 500 workers to volunteer for severance; if they do not, he said, there will be forced layoffs.

His words echoed those of both workers and company officials. Leaders of the Amalgamated Transport & General Workers Union blame mismanagement for much of the company's troubles. Waterford blames excessive wage and early retirement settlements made five years ago by a previous management team, and the drop in the value of the dollar.

The difference is that every line cut in the design of a Waterford glass is done by hand, by a worker at a diamond cutting wheel. The crystal produced elsewhere is shaped and cut by machines, then finished off by workers.

John Stenson, a 40-year-old master cutter, held up a centerpiece bowl he was cutting. He pointed to a slight variation in a row of triangular points. "When it's made by hand, the points are not perfect," he said. "A machine will make perfect points. By hand, each piece is individual, with little differences."

Danisco Buys Procordia Sugar Unit

STOCKHOLM — Procordia AB said Thursday it agreed to sell its sugar company, Sockerbolaget AB, to Danisco A/S of Denmark for 2.4 billion Swedish kronor (\$467 million).

Procordia said it would realize gains of more than 600 million kronor from the sale.

The deal, scheduled to take effect at year-end, is conditional upon regulatory approval, Procordia said. Mogens Granberg, director of Danisco, said the acquisition would make his company Europe's fourth-largest sugar-producing company.

Sockerbolaget had sales of 2.3 billion kronor in 1991 and produces 350,000 tons of sugar a year for the Swedish market, Procordia said.

Mr. Granberg said Sockerbolaget aimed to "rationalize its activities by concentrating on fewer units."

Danisco believes structural rationalization is necessary and is in line with modernization work being carried out at its Danish and German factories, he said.

Meanwhile, Procordia said it had reached a final agreement to acquire Swedish Match AB for 1.37 billion kronor from a consortium of international investors led by Citicorp Venture Capital of Britain.

The acquisition will take effect Monday. Procordia's United Brands division will take over Swedish Match's 13 factories that make matches and disposable lighters in Europe, Brazil and the Philippines.

The takeover will increase the division's sales by more than 2 billion kronor, to slightly more than 10 billion. Procordia said. Procordia United Brands produces and markets tobacco and confectionery products in 11 European countries and in the United States.

A preliminary agreement between the two companies was reached in June.

The Swedish government is preparing to privatize Procordia, which has interests in food, pharmaceuticals and tobacco. (AFX, Reuters, AFP)

Hafnia to Sell Insurance Units and Bank

The chairman of Hafnia Holding 1992 A/S said the company planned to sell two insurance companies, Hafnia Liv and Hafnia Skade, as well as Hafnia Bank, Bloomberg Business News reported from Copenhagen.

The chairman, Holger Lauesen, said Hafnia would seek the advice of an investment banking firm to investigate whether one of the major insurance groups operating in Denmark could improve the embattled insurance and financial services group's position, either through a sale or a merger.

Hafnia Bank was formed earlier this month by the merger of the holding company's banking units, Hafnia Kapitalbank and Hafnia Erhvervsbank. Hafnia Holding 1992 was established last month after the prior holding company, Hafnia Holding A/S, halted payments to its creditors. The new holding company comprises its insurance and banking activities, but not debts. (AFX, AFP)

France Shuffles SCS-Thomson

Compiled by Our Staff From Dispatches

PARIS — CEA-Industrie and France Telecom will take over state-owned Thomson SA's 50 percent stake in the semiconductor maker SCS-Thomson Microelectronics NV, the Ministry of Industry and Foreign Trade said Thursday.

The two new owners also are state-owned. The ministry said a refinancing of SCS-Thomson would be proposed soon to Italy, which owns the other half.

In December, talk of a possible reshuffle of France's SCS-Thomson stake prompted criticism such as a move would be little more than a sleight-of-hand to plug burdensome losses and reflected the Socialist Party's attachment to state intervention. (AFX, AFP)

Investor's Europe

Table with columns for Exchange, Index, Thursday Close, Prev. Close, and Change. Includes data for Frankfurt DAX, London FTSE 100 Index, Paris CAC 40, Amsterdam CBS Trend, Brussels Stock Index, Frankfurt DAX, Frankfurt FAZ, Helsinki HEX, London Financial Times 30, London FTSE 100, Madrid General Index, Milan MIB, Paris CAC 40, Stockholm Aftaarsveriden, Vienna Stock Index, Zurich SBF.

Very briefly:

- The Brussels commercial court rejected a plea by a group of mostly Belgian institutional investors to reopen a takeover bid by Accor SA of France for Internationale des Wagons-Lits et de Tourisme SA.
Cedyn Schwegels PLC posted pretax profit of £126 million (\$249.3 million) in the first half of 1992, up 13 percent from a year earlier.
Glaxo Holdings PLC posted pretax profit of £1.43 billion in the year ending in June, up 11.7 percent from the previous year; the company said it benefited from the weak British pound.
Werner Rey, former chief of the collapsed Omni Holding AG, surrendered his Swiss passport to Bahamas authorities following issuance of an international arrest warrant earlier this year, according to Swiss justice department officials quoted in Zurich newspapers. (Reuters, Bloomberg, AFP, AFX)

NYSE

Thursday's Closing
Tables include the nationwide prices up to the closing on Wall Street and do not reflect late trades elsewhere. Via The Associated Press
(Continued)

Table with columns for Stock, Div, Yld, P/E, High, Low, Last, and Change. Lists various stocks and their performance on Thursday.

Table with columns for Stock, Div, Yld, P/E, High, Low, Last, and Change. Lists various stocks and their performance on Thursday.

Table with columns for Stock, Div, Yld, P/E, High, Low, Last, and Change. Lists various stocks and their performance on Thursday.

Bertelsmann Sees Little Growth in U.S. Units

ROSEN
GUTERSLOH, Germany — Profit at Bertelsmann AG, the German media conglomerate, rose 5.6 percent in the latest year, but the company said it saw little scope for significant growth in its key U.S. music and book businesses.

Chairman Mark Wössner said Wednesday night that net profit for the year ended June 30 was 570 million Deutsche marks (\$407 million), up from 540 million DM a year earlier. Sales rose 10 percent to 15.95 billion DM.

For the current year, the chairman predicted growth in sales and earnings of just under 10 percent. "Despite the apparent recession in America and England, our business should do well," he said. "We are satisfied."

Trading in Bertelsmann profit-sharing certificates, a type of share without voting rights, was suspended in Frankfurt Thursday after the company said it would swap the paper for new certificates with different conditions.

Mr. Wössner said Bertelsmann's group net profit had risen 57 percent since 1987 when the company bought RCA Corp.'s record division. But he said there was still a lack of dynamism in the U.S. music and publishing businesses.

GERMANY: Call for Rate Cuts

(Continued from first finance page)
ants be reimbursed for the loss of their property but not be allowed to jeopardize new investments.

Mr. Kohl, who presented an upbeat outlook a day earlier, had little success Thursday in selling his party's plan for a "solidarity pact" of mutual sacrifice among unions, companies and local governments.

Rudolf Dresler, deputy chief of the Social Democrats' parliamentary fraction, told members of the Bundestag that Mr. Kohl would have to make concessions or "figure out his own way to pull the chestnuts out of the fire."

So far Mr. Kohl has openly resisted supporting the idea of a new "solidarity tax" on the well-to-do. After defaulting once on a pledge not to raise taxes to finance German unity, Mr. Kohl is wary of further alienating voters.

In another sign of the government's anxiety about wanting voter support, a member of Mr. Kohl's ruling coalition said the Maastricht treaty on greater economic and monetary union for the European Community would be sent to parliament for ratification in the first week in October, Reuters reported.

The move was seen as a reaction to calls for a referendum on the treaty. The government fears that a referendum such as the one scheduled in France would run the risk of becoming a vote of confidence on German leadership.

Table with columns for Stock, Div, Yld, P/E, High, Low, Last, and Change. Lists various stocks and their performance on Thursday.

Table with columns for Stock, Div, Yld, P/E, High, Low, Last, and Change. Lists various stocks and their performance on Thursday.

Table with columns for Stock, Div, Yld, P/E, High, Low, Last, and Change. Lists various stocks and their performance on Thursday.

Bertelsmann Sees Little Growth in U.S. Units
GUTERSLOH, Germany — Profit at Bertelsmann AG, the German media conglomerate, rose 5.6 percent in the latest year, but the company said it saw little scope for significant growth in its key U.S. music and book businesses.

1992 The World's Rendezvous with Europe
On September 23rd, the 30th installment of the IHT's highly acclaimed series of advertising sections on the New Europe will focus on
BANKING FINANCE & INSURANCE
Among the topics to be covered are:
Strategies of the major European carriers.
The ECU as a finance instrument for global bankers.
A more dynamic and open insurance industry.
A European market for pension funds.
Trans-Atlantic regulation.
A look at the London, Paris, Frankfurt and Milan bourses.
For advertising information, please call
Juanita Caspari in Paris at (33-1) 46 37 93 76.
HERALD INTERNATIONAL Tribune.

# IMF Warning on Threat From Deficits

Washington — Mushrooming budget deficits in the United States and other industrial nations pose a serious threat to the well-being of the global economy, the International Monetary Fund warned on Thursday.

The IMF, which regularly reviews economic policy-making, urged officials to act decisively to stem government red ink by raising taxes, cutting expenditures or a combination of both.

In its annual report, the international lending agency said that virtually any step to deal with the growing problem was preferable to doing nothing.

The IMF is worried because it believes that the burgeoning budget deficits of industrial countries are absorbing the world's scarce resources, often for unproductive uses, and helping to keep global interest rates high worldwide.

At the same time, all of capitalism's economic powerhouses — the United States, Japan and Germany — are experiencing economic malaise or outright recession.

In the past, the IMF has been critical of the mountain of debt accumulated by the United

States, scolding Washington for being unable to curb its deficit growth.

But officials made clear that this was not a U.S. problem alone, citing deficit increases in Britain because of its recession as well as in Germany, where the country is attempting to absorb the costs associated with reunification.

Germany, for its part, has been widely blamed for exacerbating the European recession and slashing the value of the dollar as a result of its policy of holding interest rates high.

IMF officials agreed that the German position was undermining economic growth in Europe but said this did not necessarily mean German policy-makers should reconsider their position.

"This does not mean, however, that the board would favor a relaxation of monetary policy in Germany, given the constraints Germany is facing," the official said.

At the same time, he said the IMF board was "concerned about the weakness of the dollar."

IMF officials were also awaiting legislative action that would increase the IMF's own resources by 50 percent, to about \$200 billion.

Officials said the lending agency was hopeful that enough of its member nations, including the United States, would approve the funding in the next few weeks, allowing the needed increase in capital to be put in place.

The deadline for obtaining those commitments has been set for Sept. 30 but could be delayed, an official said.

So far, 117 countries representing 63.2 percent of the voting rights have accepted the new formula, but 52 nations, including the United States and Italy, have refused.

In order to implement the increase, it must be approved by three-fifths of IMF members, representing 85 percent of the voting rights.

The IMF said that it has adequate funding for the time being to conduct its lending operations but that its capital is being eroded and could be reduced even more by the end of the year.

In a review of its fiscal year that ended April 30, the IMF said its new loan commitments totaled \$12.9 billion, compared with \$8.3 billion the previous fiscal year.

(Reuters, AFP)

# NASDAQ

Thursday's Prices  
NASDAQ prices as of 4 p.m. New York time. This list compiled by the AP, contains the 1,000 most traded securities in terms of dollar value. It is updated twice a year.

Symbol	Price
IBM	107 1/4
Microsoft	43 3/4
Oracle	37 1/2
Amazon	25 1/4
NetScout	18 1/4
WebTV	16 3/4
EarthLink	15 1/2
Comcast	14 1/2
Verizon	13 3/4
Sprint	12 1/2
WorldCom	11 3/4
Qwest	10 1/2
Southwest	9 3/4
Delta	8 1/2
American	7 3/4
United	6 1/2
Southwest	5 3/4
Delta	4 1/2
American	3 3/4
United	2 1/2

Symbol	Price	Change
IBM	107 1/4	+ 1/4
Microsoft	43 3/4	+ 1/4
Oracle	37 1/2	+ 1/2
Amazon	25 1/4	+ 1/4
NetScout	18 1/4	+ 1/4
WebTV	16 3/4	+ 1/4
EarthLink	15 1/2	+ 1/4
Comcast	14 1/2	+ 1/4
Verizon	13 3/4	+ 1/4
Sprint	12 1/2	+ 1/4
WorldCom	11 3/4	+ 1/4
Qwest	10 1/2	+ 1/4
Southwest	9 3/4	+ 1/4
Delta	8 1/2	+ 1/4
American	7 3/4	+ 1/4
United	6 1/2	+ 1/4
Southwest	5 3/4	+ 1/4
Delta	4 1/2	+ 1/4
American	3 3/4	+ 1/4
United	2 1/2	+ 1/4

# AMEX

Thursday's Closing  
Tables include the nationwide prices up to the closing on Wall Street and do not reflect late trades elsewhere. Via The Associated Press

Symbol	Price	Change
IBM	107 1/4	+ 1/4
Microsoft	43 3/4	+ 1/4
Oracle	37 1/2	+ 1/2
Amazon	25 1/4	+ 1/4
NetScout	18 1/4	+ 1/4
WebTV	16 3/4	+ 1/4
EarthLink	15 1/2	+ 1/4
Comcast	14 1/2	+ 1/4
Verizon	13 3/4	+ 1/4
Sprint	12 1/2	+ 1/4
WorldCom	11 3/4	+ 1/4
Qwest	10 1/2	+ 1/4
Southwest	9 3/4	+ 1/4
Delta	8 1/2	+ 1/4
American	7 3/4	+ 1/4
United	6 1/2	+ 1/4
Southwest	5 3/4	+ 1/4
Delta	4 1/2	+ 1/4
American	3 3/4	+ 1/4
United	2 1/2	+ 1/4

150









OBSERVER

Taken at the Ball Game

By Russell Baker
NEW YORK — The newspapers say the baseball owners...
I have been thoroughly soaked, marinated you might say, in the propaganda of baseball.

Five dollars to park the car didn't seem badly palatial to me...
The reverential mood became harder to support when someone told me that Oriole Park At Camden Yards was built at public expense.

Ken Kesey, Minister of Misinformation

By David Streitfeld
Washington Post Staff Writer
PLEASANT HILL, Oregon — Folks hereabouts always know when Ken Kesey is passing by.



Frankster Kesey: For his "Sailor Song," very mixed reviews.

What was happening? "Nothing," he says slyly. "I just like to get people to look."
And to listen. On this day at least three Franksters will be around, boom companions of the last three decades.

Two years later came a second novel, "Sometimes a Great Notion."
Kesey became a hero to the nascent hippie movement. He was busted, busted again, faked suicide and fled to Mexico.

After serving his five months on a work farm, he went home to Oregon. The '70s were not years of high visibility.
Kesey's Garage Sale (1973) was a coffee-table book of scraps and memorabilia.

PEOPLE

Rock 'n' Ranch Time At MTV Music Awards

Veterans Van Halen, Eric Clapton, Annie Lennox and Metallica and newcomers the Red Hot Chili Peppers were the big winners at a 1992 MTV Video Music Awards ceremony in Los Angeles.

TODAY'S REAL ESTATE MARKETPLACE
Appears on Page 4
PERSONALS MOVING
MAY THE SACRED HEART OF JESUS be adored, glorified, loved and preserved throughout the world...

INTERNATIONAL CLASSIFIED
MOVING interdean INTERNATIONAL MOVES
BUSINESS OPPORTUNITIES IRISH NON-RESIDENT COMPANIES E195
BUSINESS TRAVEL FINANCIAL SERVICES ANNOUNCEMENTS

AUTO RENTALS AUTO TAX FREE
EUROPE AUTO BROKERS, Inc
HEALTH/MEDICAL SERVICES
HAIR LOSS WHY BE BOLD? Why go bald? No need to. Send our special reply card to John Snow...

LOW COST FLIGHTS
LOWEST AIR FARES from 33 countries and up to 30% discount on 1000's of flights...

HOLIDAYS & TRAVEL
MEXICO ACAPULCO/LAS VEGAS super house 4 bed + pool, private, Xmas, etc.
FRENCH PROVINCES LUBRON, 15th century chateau high class living, 7 bedrooms...

OFFSHORE
BY LAWYERS FROM E175
One of the world's largest offshore corporations can provide professional services...

ANNOUNCEMENTS
THE AMERICAN UNIVERSITY OF PARIS
STUDIES IN INT'L BUSINESS AND EC LAW
FREE INFORMATION SESSIONS

Place Your Classified Ad Quickly and Easily in the INTERNATIONAL HERALD TRIBUNE
HEAD OFFICE Paris (for classified only) Tel: (1) 46.37.93.85

ESCORTS & GUIDES
BELLE EPOCH ESCORT SERVICE
CHERIE ESCORT SERVICE
MERCEDES ESCORT AGENCY

ESCORTS & GUIDES
GENEVA ESCORT AGENCY ZURICH BASE
LONDON GENOVA ESCORT SERVICE
MUNICH WELCOME ESCORT & GUIDE AGENCY

ESCORTS & GUIDES
GENEVA TODAY ESCORT SERVICE
LONDON GENOVA ESCORT SERVICE
MUNICH WELCOME ESCORT & GUIDE AGENCY

ACROSS
22 Noted Nigerian singer
23 Preacher's subject
41 Crème crême
42 Wholeness
44 Nixon's "Six"

DOWN
1 Word for a butinsky
2 Operatic showstopper
3 Colure, e.g.
4 Stout
5 Mitzner design

TO OUR READERS IN SWITZERLAND
It's never been easier to subscribe and save. Just call our Zurich office toll free: 155 57 57 or Fax: (01) 481 82 88
Imprimé par Offprint, 73 rue de l'Évangile, 75018 Paris.